

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 21, 2005.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. BROWNBACK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, in a few moments we will begin the final 10 minutes of debate before proceeding to the final votes with respect to the deficit reduction conference report. Two points of order are possible under the agreement and we will vote on the respective motions to waive. Senators, therefore, can expect us to begin voting in 15 to 20 minutes.

Following those two votes—it may be one vote but one or two votes—on the motions to waive, we will proceed to a vote on final passage on the deficit reduction measure.

After that vote, we will have 1 hour before the cloture vote on the Defense appropriations conference report. Additional votes will occur following that vote. I hope we are able to get cloture on the Defense bill and wrap up the remaining business during today's session.

As we mentioned yesterday, it is likely to be a long session. It could be short, but it could be a long session over the course of the morning and early afternoon with a number of votes.

We have asked Senators to stay close to the Chamber so that when we do have votes, we can complete them in a timely fashion.

I will yield to the Democratic leader for any comments on the course of the day.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Democratic leader is recognized.

PATIENCE AND UNDERSTANDING

Mr. REID. Mr. President, I was in my office early this morning, and Gary Myrick, who works for me, came in and said, Is there anything you need? I said yes, patience.

I mentioned that to the distinguished Republican leader a few minutes ago. I think everyone needs that today. It is going to be a difficult day.

I hope we will all have patience and understanding, recognizing that these are tense times—not only because of the legislation we are dealing with but also the holidays. We are all anxious to get back to our families, but we have work to do. I hope we all have patience.

Mr. FRIST. Mr. President, I will make a final statement on the deficit reduction act. The Democratic leader also will, and then there will be 10 minutes after that before we begin to vote.

DEFICIT REDUCTION

Mr. FRIST. Mr. President, like everyone else in America, we need to tighten our belts and learn how to do more with less. For the first time in over 8 years in the Senate, we will reduce spending in an area of the budget known as entitlement spending—for the first time in 8 years.

As we all know, entitlement spending represents over 54 percent of total Federal spending today. It is going to continue to grow steadily in the years ahead.

The infrequency with which this body addresses entitlement legislation underscores the importance of the bill we are about to vote upon.

For the first time since 1997, this body, the Senate, is taking action to reduce or slow that growth in Federal entitlement spending. The legislation before us today will reduce spending nearly \$40 billion over the next 5 years. If you extrapolate that out to 10 years, it is about \$100 billion.

For some, particularly on the other side of the aisle, this legislation—and I want to put that in quotation marks—“cuts too much.”

Let me respond by saying entitlement spending is projected to grow from \$1.3 trillion to over \$1.7 trillion in 2010—\$1.3 trillion to over \$1.7 trillion over the next 5 years. If you add that up, over the next 5 years, the cumulative entitlement spending will top \$7.8 trillion.

The bill we have before us reduces that figure, the \$7.8 trillion, by a total amount of \$40 billion. That is about a half of 1 percent.

“Cuts too much?”

Furthermore, the bill doesn't—that is why I put it in quotation marks—cut entitlement spending, spending which,

if we don't pass this bill, will grow at 5.4 percent. Once we pass this bill, it will be slowed to 5.4 percent. That is not a cut. The legislation, as tough as it has been to negotiate—and much of it has played out on the floor of Senate itself—reflects tremendous work over the past several months. It is a small downpayment against greater challenges that confront our country in the years ahead.

Last week, the Congressional Budget Office issued a report entitled “The Long-Term Budget Outlook.” Let me read the very first line of that report.

As health care costs continue to grow faster than the economy and the babyboom generation nears entitlement for Social Security and Medicare, the United States faces inevitable decisions about the fundamentals of its spending policies and its means of financing those policies.

What it boils down to is the entitlement spending path we are on is simply not sustainable. The legislation we are about to vote on is a good first step on putting us back on a sustainable glide-path. But it is only the first step.

I am proud of the work on this bill to control Federal spending. I congratulate the chairman of the Senate Budget Committee, Senator GREGG, who worked nearly 9 months ago on passage of the budget resolution. The 2006 budget resolution that put in motion this process has brought us to this point of deficit reduction in this reconciliation bill today. Indeed, this final conference bill exceeds the goals set out last spring in that resolution by nearly \$6 billion.

I also thank the chairmen of the reconciliation committees and the many staff who have worked so hard in putting this bill together.

It is time we bring this year's budget process to an end with passage of this legislation today. With the New Year only a couple of weeks away, it is time for us to prepare and actually renew our focus on the continued challenges that lie ahead.

The bill shows fiscal restraint. It shows we are going to cut wasteful Washington spending. A “yes” vote demonstrates we are governing with meaningful solutions to ensure America's long-term prosperity.

The ACTING PRESIDENT pro tempore. The Democratic leader.

BUDGET RECONCILIATION

Mr. REID. Mr. President, the matter now before the Senate of the United States is a budget. But it isn't a budget based on mainstream American values; it is an ideologically driven, extreme, radical budget. It caters to lobbyists and an elite group of ultraconservative ideologues here in Washington, all at the expense of middle Americans, those with the greatest of needs, and future generations.

I rise today to express my strong opposition to the budget reconciliation conference report before this body. Rather than sharing the sacrifices

needed to get this Nation's fiscal house in order, this Republican budget and this legislation target ordinary Americans by cutting programs such as student aid, Medicare, Medicaid—all to pay for another round of budget-busting tax breaks for special interests and multimillionaires. This budget is an attack on the middle class and those in greatest need on behalf of lobbyists for the powerful. This budget is un-American. In fact, as the leading clergy of Protestants in this country has said, it is immoral.

It is important to consider what is happening in America today. Of course, we know there needs to be fiscal constraint in this country. We are spending \$2 billion a day in Iraq alone. Middle-class Americans are being squeezed. Their wages have been stagnant now for several years. Meanwhile, their costs are increasing for everything from a visit to the family physician—if, in fact, they are fortunate enough to be able to get in to one—to college tuition, home heating, gasoline for their cars. As a result, more Americans are struggling to make ends meet.

This administration and this Congress should be helping middle-class families deal with these family issues. Democrats have developed a variety of proposals to do so. Unfortunately, every one of our proposals has been repeatedly blocked by the Republican majority.

We are debating a reconciliation bill, the centerpiece of a Republican budget that not only fails to address the middle-class squeeze but makes it worse and saddles our children—my 5 children and my 15 grandchildren—with billions and billions of dollars in additional debt.

This budget which is before the Senate has a name. Every piece of legislation that comes before this body has a name. The name given to this piece of legislation by the Republican majority is the Budget Deficit Reduction Act of 2005. Try that one on. The Budget Deficit Reduction Act of 2005. It increases the deficit of this country because of the tax cuts they are giving to those who don't need them by some \$50 billion over and above these cuts. Budget Deficit Reduction Act? Is that Orwellian doublespeak?

This legislation includes the largest student aid cut in this Nation's history. We have read all the articles about the costs of college increasing. You go to a State university now in Nevada. They are considering that everyone can go to school at the University of Nevada—Reno or UNLV—or the community college system. There were no basic academic requirements. If you graduate from high school, you can go to college. They are considering raising qualifications to get in those schools to a B average—eliminating people like me from being able to go to college. That is wrong. That is what this legislation is doing. A child's ability to be educated should not be dependent upon how much money their parents have.

This legislation, instead of helping middle-class families struggling with these increased burdens, simply increases their costs and makes it even worse for them. Rather than opening doors of opportunity to all Americans, this bill will close the doors for many. Higher fees on students increase the rate of interest on student loans, weaken the financial foundation of higher education, and, I submit, weaken our country. Forcing middle-class families to pay more for college in order to partially pay for another fiscally irresponsible round of special interest tax breaks is not fair. It is bad economic policy.

In today's global and high-tech economy, America's competitive edge depends increasingly on our commitment to education. It used to be that we could go to India and grab all the engineers and bring them here. India needs them now. We cannot do that anymore. We need to educate our own students. We should be increasing a commitment to educating our children. Instead, this bill goes in the opposite direction.

Beyond the cuts in student aid, this bill also contained harmful health care cuts that will increase costs and deny access to millions of Americans. For example, Part B premiums for Medicare will go up, up for all seniors. Home health services are cut. I can remember 20 years ago, I went—a physician asked me to—to Las Vegas to visit his patients who were in hospitals. He said: They shouldn't be here, but under the rules we have, I cannot give them their medication at home. He said: Think how much money this is costing the Federal Government.

We changed it so that people could stay home and be taken care of. We are changing that. We do not save money, we lose money.

While at the last minute the Republican leadership decided under certain provisions to protect certain favored health care interests, they did not provide such protections for ordinary American seniors.

Even more troubling than the cuts in Medicare are the cuts in Medicaid. Medicaid—health care for the neediest of all Americans. This bill targets Americans with the greatest needs and the fewest resources by forcing them to pay more for health care, cutting benefits, and making it harder for them to get the prescription drugs they need. Many of these people are hurricane survivors. We saw the huddled masses on television. We saw them in New Orleans because of the disaster, but there are many communities all over America, and the huddled masses are there, also. We just did not see them on TV. What do we do to help them? Nothing. Nothing.

Many people in America are struggling to survive. These people need more help with their health care, not less. This bill cuts what little health coverage they have, if any, and increases their costs. For what? To pay for another round of tax breaks for spe-

cial interests, multimillionaires, and billionaires. That is immoral.

This legislation rips and tears at Medicare and Medicaid. This bill's cuts to Medicare and Medicaid are largely why this legislation is strongly opposed by all seniors. The largest seniors organization in America, the American Association for Retired Persons, does not like this legislation. Their chief executive officer, Bill Novelli, writes the following:

The final conference agreement does not ask for shared sacrifices to achieve budgetary savings. Rather it protects the pharmaceutical industry, the managed care industry, and other providers at the expense of low-income Medicaid beneficiaries and Medicare beneficiaries who will foot this bill.

That is not Senator REID speaking, that is Bill Novelli, CEO of the AARP.

Unfortunately, this bill's Medicare and Medicaid reductions are not the only cuts to this Nation's safety net. The bill cuts funding for child support enforcement.

When I was a young lawyer, I went after some deadbeat dads. Oh, they were hard to trap. They would move from jobs, move from towns. They could always get ahead of their children. But we changed the law so that now we have law enforcement provisions to go after these deadbeats. My son-in-law's sister, in the District Attorney's Office in Las Vegas, spends her full time going after these deadbeat dads. Well, we are going to cut back on this.

This legislation cuts foster care—foster care. Think about that. We all know of people who are foster parents. They have big hearts. They have big needs. And we are going to cut them back.

This legislation cuts back programs for low-income seniors and people with disabilities. I see the Senator from Illinois is in the Chamber. We were together in Arizona. I don't remember the man's name, but there was a man who was an Indian. He testified before us and he talked about how little money he made. He was handicapped. But he worked. And he ended his presentation by saying: I am a proud American. He had a little difficulty of speech, but it was clear what he said. There are many proud Americans who are people with disabilities and low incomes. They need our help. This legislation cuts the ability to help them.

It reduces the availability of housing for families in need. It eliminates FHA's ability to rehabilitate housing. The legislation before this body also badly weakens the Temporary Assistance for Needy Families programs which help move low-income Americans from welfare to work. There was an overwhelming bipartisan consensus in the Senate that we should not change TANF in this fast track. But the Republican leadership ignored that and decided, in the dead of the night, to make the most significant change to welfare policy in a decade.

The bill apparently includes very expensive and unfunded new requirements on States, reducing their already limited flexibility. Meanwhile, the legislation badly underfunds the childcare that parents will need to move from welfare to work. The majority is happy to harm those with the greatest needs. They have gone out of their way to accommodate lobbyists for special interests. For example, lobbyists for HMOs won a huge victory when the conferees rejected the Senate's proposal to eliminate the discredited HMO slush fund. Lobbyists for the pharmaceutical industry saved the industry from adjustments in Medicaid rebates. And lobbyists for certain types of medical equipment won special accommodations as well.

All these favors for special interests should not come as a surprise. After all, that is what we have come to expect from this Congress. The policies being pursued by this Congress are a corruption of our Nation's values. How can it be that we are about to cut student loans, Medicare and Medicaid, and then turn around and provide even more tax breaks to special interests and multimillionaires? Have they no sense of decency? Have they no sense of shame?

The capital gains and dividend tax breaks called for in the Republican budget that are so important to President Bush and this leadership would provide almost half their benefits to those with incomes of more than \$1 million. They will get a tax break of more than \$30,000 a year.

Meanwhile, the losers won't just be the ordinary Americans who will suffer cuts in student loans, Medicaid and Medicare, all Americans will lose because the tax breaks backed by the Republican leadership will cost substantially more than their spending cuts will save. As a result, the deficit will go up, interest rates will rise, the economy will suffer, and the burdens on our children and grandchildren will increase.

Finally, this budget is wrong for many other reasons and in many other dimensions. It is wrong to target middle-class families already struggling to send their kids to college. It is wrong to target Medicare and Medicaid, which serve seniors and Americans with the greatest needs. It is wrong to use these cuts to help pay for tax breaks that largely benefit those with incomes over \$1 million. It is wrong to do all this while handing out favors to special interests and their lobbyists. And it is wrong to approve a budget that will increase the deficit and burden future generations.

This is not a budget based on mainstream American values. It is an ideologically driven, extreme budget that caters to lobbyists and an elite group of ultra-conservative ideologues in Washington, all at the expense of middle-class Americans, those with the greatest needs.

This budget will be approved unless enough reasonable Senators on the

other side stand up and do the right thing. I hope they will. And I hope we can finally persuade the leadership in this body, the Republican leadership, that it is time—it is long past time—to stop catering to special interests and to start putting the American people first.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

DEFICIT REDUCTION ACT OF 2005— CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the conference report to accompany S. 1932, which the clerk will report.

The legislative clerk read as follows:

Conference report to accompany S. 1932, an act to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006.

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 5 minutes each for the Senator from New Hampshire and the Senator from North Dakota.

The Senator from the great State of North Dakota.

Mr. CONRAD. Mr. President, the legislation before us suggests that it is deficit reduction. There are three chapters to this book on reconciliation. You have to read all three chapters to understand the meaning of the book. The first chapter provides spending cuts of \$40 billion over 5 years. Those spending cuts disproportionately take from those who have the least among us. Chapter 2 provides \$70 billion of tax cuts. So the combined effect of chapters 1 and 2 is not to reduce the deficit, it increases the deficit. And the tax cuts give to those who have the most among us.

The Chaplain, in his prayer this morning, asked us to lead lives that will be living sermons—lives that will be living sermons. I do not know of any church that teaches to take from those who have the least among us to give to those who have the most among us.

The third chapter in this book provides for a debt limit increase of \$781 billion—one of the largest increases in the debt of our country, in the history of our country.

This first chapter, as I have indicated, contains \$40 billion of spending cuts over 5 years. But the second chapter will cut taxes by \$70 billion over that same period. The net result is not deficit reduction; it is an increase in the deficit.

If we are to focus just on this first chapter, and put it into perspective, here is what we see: spending cuts of \$40 billion. It is almost indecipherable how much that is in relationship to what we will be spending over the next 5 years. We will be spending \$14.3 trillion over the next 5 years. So our col-

leagues on the other side have managed to cut one three-hundred fiftieth—one three-hundred fiftieth—of the spending. But then in chapter 2 they are going to come here and eliminate that deficit reduction by the tax cuts—again, spending reductions from those who have the least among us to give to those who have the most among us. And the extraordinary irony of all of this is that all of this—if this is implemented, the budget that is being passed—is building a wall of debt that is unprecedented in the history of our country.

If this budget is actually implemented over the next 5 years, it will increase the debt of our country from \$7.9 trillion to \$11.3 trillion. This is not just my estimate, this is the estimate of the people who have written this package.

This is from their own document. They say the debt of the country will increase each and every year by over \$600 billion. This is before the baby boomers retire. If you like deficits and debt, if you want to pass on a massive debt to our children, this is your chance. Vote for this package.

It took 42 Presidents 224 years to run up a trillion dollars of external debt, debt held by foreigners. This President has more than doubled that amount in 5 years. This is going in the wrong direction. The result is, we now owe Japan over \$680 billion. We owe China almost \$250 billion. We owe the "Caribbean Banking Centers" more than \$100 billion.

In addition to the explosion of deficits and debt, these provisions in this chapter of the book are unfair to those who have the least among us: Medicaid cuts targeting low-income beneficiaries, child support enforcement cuts, foster care cuts, on and on it goes. The spending cuts are being done to make room for more tax cuts. House Ways and Means Committee Chairman BILL THOMAS told a group of GOP lobbyists the spending cuts are necessary to make room for the tax-cutting legislation.

I will be making points of order against this bill because we believe this bill has violated the rules of this body in instance after instance after instance, repeated violations of the rules. At the appropriate time, I will bring a point of order.

I conclude as I began: This legislation, taken as a whole, all of the chapters of reconciliation, will increase the deficit and debt of our country, will have one of the largest increases in debt, \$781 billion, in our Nation's history. In addition to that, this has the wrong priorities, taking from the least among us to give to those who have the most among us. That is wrong.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. What is the time situation?